

Date: 14.08.2024

To,

The Manager – Listing National Stock Exchange of India Ltd. Exchange Plaza, Bandra Kurla Complex Bandra East Mumbai – 400051 Symbol - SALASAR	The Secretary Corporate Relationship Dept. BSE Limited P. J. Tower, Dalal Street, Mumbai – 400001 Scrip Code: 540642
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SUB: Monitoring Agency Report for quarter ended June 30, 2024

Dear Sir/ Madam,

Pursuant to Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Monitoring Agency Report for the quarter ended 30 June 2024, issued by CARE Limited to monitor the utilization of proceeds of the Preferential Issue of Equity Shares and Fully-Convertible Warrants.

The above information will be made available on the Company's website at www.salasartechno.com

You are requested to kindly take the same on record.

Yours faithfully,

For Salasar Techno Engineering Limited

Mohit Kumar Goel
Company Secretary & Compliance Officer

CIN No. - L23201DL2001PLC174076



Unit 1- Khasra 265, 281-283, Parsaun-Dasna, Jindal Nagar, Distt. Hapur-201313
Unit 2- Khasra 1184, 1185, Khera, Pilkhuwa, Tehsil Dhaulana, Distt. Hapur-245304

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CARE/NRO/GEN/2024-25/1043

The Board of Directors

Salasar Techno Engineering Limited
Khasra No. 265,281,282, 283,284,285, 286, 287 and 288
Jindal Nagar, Parsaun Dasna
Uttar Pradesh, Hapur, India-201313

August 14, 2024

Dear Sir/Ma'am,

Monitoring Agency Report for the quarter ended June 30, 2024 - in relation to the Preferential Issue of Salasar Techno Engineering Limited ("the Company")

We write in our capacity of Monitoring Agency for the preferential Issue for the amount aggregating to Rs. 290.77 crore (Preferential issue of equity share: Rs. 166.67 crores & Preferential issue of fully convertible share warrants: Rs.124.10 crores) of the Company and refer to our duties cast under Regulation 162A of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations.

In this connection, we are enclosing the Monitoring Agency Report for the quarter ended June 30, 2024, as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated May 01, 2024.

Request you to kindly take the same on records.

Thanking you,
Yours faithfully,



Rajan Sukhija

Assistant Director

Rajan.sukhija@careedge.in

CARE Ratings Limited

9th floor, C-001/A2, Berger Towers, Sector 16B,
Noida,
Gautam Budh Nagar, Uttar Pradesh -201301
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Mumbai - 400 022
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Report of the Monitoring Agency

Name of the issuer: Salasar Techno Engineering Limited
For quarter ended: June 30, 2024
Name of the Monitoring Agency: CARE Ratings Limited
(a) Deviation from the objects: No
(b) Range of Deviation: Not applicable

Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that there is no conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer, or while undertaking credit rating or other commercial transactions with the entity.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.

Signature:
Name and designation of the Authorized Signatory: Rajan Sukhija
Designation of Authorized person/Signing Authority: Assistant Director

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1) Issuer Details:

Name of the issuer : Salasar Techno Engineering Limited
 Name of the promoter : Mr. Alok Kumar
 Industry/sector to which it belongs : Industrial Products - Iron & Steel Products

2) Issue Details

Issue Period : 18 months from date of allotment (Date of allotment: April 30, 2024)
 Type of issue (public/rights) : Preferential Issue
 Type of specified securities : Equity shares and fully convertible warrants
 IPO Grading, if any : Not applicable
 Issue size (in crore) : Rs. 290.77

3) Details of the arrangement made to ensure the monitoring of issue proceeds:

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Yes	Chartered Accountant certificate*, Bank statements	All the proceeds from the preferential issue have been utilized as per the objectives mentioned in the offer document. Utilization of the proceeds was within the approved deviation limit of +/-10% of the permitted limit and the same was also the part of board resolution.	No Comments
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	Not applicable	Chartered Accountant certificate*, Bank statements		
Whether the means of finance for the disclosed objects of the issue have changed?	No	Not applicable	Not applicable	No Comments
Is there any major deviation observed over the earlier monitoring agency reports?	No	Not applicable	Not applicable	No Comments
Whether all Government/statutory approvals related to the object(s) have been obtained?	Yes	Board Resolution, Offer Document	Not applicable	No Comments
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Not applicable	Not applicable	Not applicable	No Comments
Are there any favorable/unfavorable events affecting the viability of these object(s)?	Not applicable	Not Applicable	Not Applicable	No Comments
Is there any other relevant information that may materially affect the decision making of the investors?	No	Not applicable	Not Applicable	No Comments

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*CA certificate from Prateek Gupta & Co. (peer reviewed) dated July 24, 2024

#Where material deviation may be defined to mean:

- a) Deviation in the objects or purposes for which the funds have been raised
- b) Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.

4) Details of objects to be monitored:

(i) Cost of objects –

S. No.	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Original cost (as per the Offer Document) in Rs. Crore	Revised Cost in Rs. Crore	Comments of the Monitoring Agency	Comments of the Board of Directors		
						Reason for cost revision	Proposed financing option	Particulars of - firm arrangements made
1	Issue related expenses	Offer Documents, Board Resolution copy	46.04	7.77	@	-	-	-
2	General Corporate Purposes	Offer Documents, Board Resolution copy	185.00	0.00		-	-	-
3	Financing of acquisition	Offer Documents, Board Resolution copy	250.00	178.00		-	-	-
4	Working capital requirements	Offer Documents, Board Resolution copy	300.00	95.00		-	-	-
5	Capital Expenditure including towards development, refurbishment and renovation of Assets	Offer Documents, Board Resolution copy	25.00	10.00		-	-	-
Total			806.04	290.77				

@Initially company obtained shareholders' approval for preferential issue of Rs. 806.04 through EGM dated February 19, 2024. However, subsequently the company made preferential issue of Rs. 290.77 crores only and objects of the issue were revised accordingly as per the above table through board resolution dated April 30, 2024.

(ii) Progress in the objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount raised till date i.e. June 30, 2024	Amount utilised in Rs. Crore			Total unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
					As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore [^]	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
1	Issue related expenses	CA certificate*, Board Resolution copy, Bank statements	7.77	232.79	-	-	-	0.53	-	No Comments	No Comments

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					As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore [^]	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
2	Financing acquisition of	CA certificate*, Board Resolution copy, Bank statements	178.00		-	179.27 [^]	179.27 [^]		Company acquired EMC Ltd. which was under liquidation.	No Comments	No Comments
3	Working capital requirements	CA certificate*, Board Resolution copy, Bank statements	95.00		-	53.00	53.00	-	-	No Comments	No Comments
4	Capital Expenditure including towards development, refurbishment and renovation of Assets	CA certificate*, Board Resolution copy, Bank statements	10.00		-	-	-	-	-	No Comments	No Comments
Total			290.77	232.80		232.27	232.27	0.53@			

* CA certificate from Prateek Gupta & Co. dated July 24, 2024

[^] Note: This includes EMD of Rs. 10 crore paid by the STEL on March 11, 2024 (which was subsequently reimbursed from the monitoring account to the company on May 07, 2024) and interest amounting to Rs. 1.27 crore (including TDS of Rs. 12.70 lacs) paid for acquisition. Further, utilization of the proceeds was within the approved deviation limit of +/-10% of the permitted limit and the same was also the part of board resolution.

@The company has received Rs. 232.80 crores during Q1FY25, Out of the proceeds received during Q1FY25, the unutilized proceeds amounting to Rs. 0.53 crores are parked in monitoring account.

(iii) Deployment of unutilized public issue proceeds:

Sr. No.	Type of instrument and name of the entity invested in	Amount invested (In Rs. Crore)	Maturity date	Earning	Return on Investment (%)	Market Value as at the end of quarter
1.	Monitoring account- Yes Bank	0.53	Not Applicable	-	-	0.53

(iv) Delay in implementation of the object(s) – Not Applicable

5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document: Not Applicable

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Disclaimers to MA report:

- a) This Report is prepared by CARE Ratings Ltd (hereinafter referred to as "**Monitoring Agency/MA**"). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.
- b) This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like statutory auditors (or from peer reviewed CA firms) appointed by the Issuer believed by it to be accurate and reliable.
- c) Nothing contained in this Report is capable or intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.
- d) The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives from auditors (or from peer reviewed CA firms), lawyers, chartered engineers or other experts, and relies on in its reports.
- e) The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.

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